

"We are much more efficient and have more control of our assets, both mechanical equipment and human resources."

Allan Thompson, Managing Director Kolok Unlimited



Headquarters: Gauteng, South Africa

Distribution centres: 7

Manhattan solution: ManhattanSCALE™:
Supply Chain Architected for Logistics Execution

Kolok standardises operations on Manhattan SCALE™

Advanced Supply Chain Platform Improves Productivity and Customer Service

Established 36 years ago, Kolok Unlimited is one of the largest printer supplies distributors in Africa. It is a subsidiary of Bidvest, the global services, trading and distribution giant listed on the JSE in South Africa. Kolok conducts business directly in the common customs area of South Africa, Botswana, Lesotho, Swaziland and Namibia, as well as in Angola and Mozambique. Kolok also works with partners in Zimbabwe and Zambia.

Challenge:

Warehouse management and manual systems were not keeping pace with the volume accompanying the company's international growth.

Solution:

Manhattan replaced an outdated WMS, improved warehouse efficiency, customer service and raised the level of warehouse operative IT skills.

Results:

Volume increased 28%, picking errors reduced 80%, reduction of stock shrinkage levels, 15-minute order turnaround, stock-taking reduced from 3 days to several hours.

The growth that brought about the expansion into all of these countries did not come without its challenges, however. With an extensive distribution network that includes 6 distribution centres (DCs) in South Africa and another in Namibia, and transaction volumes that had grown significantly, Kolok began to experience a great deal of difficulty with stock management. The operation had simply outgrown its manual, card-based stock-control system. "Deliveries were sometimes taking four to five days to unload and once we'd put them away we couldn't find them," explained Allan Thompson, Kolok Unlimited's managing director.

Additionally, the challenges that face a distributor in Africa can be very different from those in Europe or America. Allan Thompson continued, "One of our biggest problems is the relatively high level of crime, which ranges from petty theft to the occasional hi-jacking of delivery vehicles. Furthermore we had a lack of basic IT skills amongst our warehouse staff."

Kolok Unlimited decided an advanced warehouse management solution was needed in its larger DCs at Johannesburg, Durban and Cape Town, to address all these challenges.



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Allan Thompson
Managing Director Kolok Unlimited



Manhattan's Features, Reliability, African Business Experience and Operating Platform Provide the Best Solution

After short-listing several competing solutions, Manhattan SCALE: Supply Chain Architected for Logistics Execution was selected for the three warehouses. The solution was chosen because of its reliability and functionality. Manhattan SCALE is also highly configurable and its ease of use would allow the company to train warehouse operatives in a relatively short period of time.

The role of Supply Chain Junction, with whom Manhattan Associates has worked in the African market for some time, was also an important factor in the decision-making process, as they understood the local market and Manhattan's products very well.

Choosing Manhattan also made sense from an integration and standardisation perspective. That was because Kolok uses Microsoft Dynamics AX as its enterprise solutions platform, and Manhattan SCALE has certification from Microsoft through its 'Certified for Dynamics' accreditation.

Implementation Improves Productivity and Employee Skills

The Johannesburg DC now has a fully-functional warehouse management solution and complementary radio-frequency (RF) technology. A large screen in the middle of the building allows managers to see progress on active orders at a glance. "We can measure individual productivity rates among our employees," said Allan Thompson. "Few of our packers had ever used a computer mouse before, but everyone picked it up within a week. Our staff members have learned new skills and feel empowered by the control they now have over their work."

Warehouse Operations and Customer Service Have Been Greatly Improved

Warehouse volume has increased 28% on the previous year, picking errors have been reduced by 80% and stock shrinkage has been reduced. "We are much more efficient and have more control of both our mechanical and human resource assets," commented Mr. Thompson. "An order can be ready for customer collection or delivery 15 minutes after reaching the warehouse. The system has enabled us to persuade our customers not to tie up their resources in stock, but to use our resources and corporate customers now expect delivery within a couple of hours."

"Stock-taking used to take three days and was planned weeks in advance," continued Mr. Thompson. "Now it has become a pleasure. The first time we carried out a stock-take after implementing the new system, we brought in 24 people and expected to spend a weekend on the job. It only required six people for a few hours. We now know exactly what resources are needed for picking, packing, put-away, and can deploy operatives much more efficiently."

Manhattan SCALE Expected to Facilitate Savings and Efficiencies Throughout Warehouse Operations

Mr. Thompson expects to realise a full ROI on the IT side of the project within 24 months. Kolok Unlimited expects that the most significant savings will come from Manhattan SCALE's deep functionality in areas such as scan and weigh verification, carton cubing, pallet building, RF loading and productivity based incentives. Kolok Unlimited is also in the process of testing a variety of waving processes to accommodate the needs of its other DCs.